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STATE FOR NEA/ARPI AND EB/TPP/ABT EDWARD HEARTNEY
COMMERCE FOR ITA/OTEXA MARIA D'ANDREA

E.O. 12958: N/A

TAGS: [KTEX](#) [ECON](#) [ETRD](#) [ELAB](#) [BA](#)

SUBJECT: BAHRAIN: TRACKING CHANGES IN TEXTILES AND APPAREL
EMPLOYMENT AND PRODUCTION AFTER QUOTA ELIMINATION

REF: STATE 184238

[¶1.](#) Expiration of the WTO Agreement on Textiles and Clothing (ATC) will likely have a small negative impact on the Bahraini economy because the textile and apparel sector is a relatively minor contributor to the gross domestic product. However, the potential for layoffs in the textile sector is a potent political issue because of the preponderance of Shia women among the approximately 3,700 Bahrainis employed in the apparel sector. Unemployment has traditionally had a disproportionate impact on the Shia community, which represents some 70 percent of the country's population. Some Bahrainis believe that the recently signed U.S.-Bahrain Free Trade Agreement could actually lead to an expansion of the sector as investors seek to benefit from tariff-free entry of textiles and apparel into the U.S.

[¶2.](#) Data available on textile and apparel production in Bahrain are as follows:

2003

- Total Industrial Production: USD 3,676.8 million. (Source: Bahrain Monetary Agency)
- Total Textiles and Apparel Production: No official statistics are available. However, industry leaders estimate textile production at USD 83 million and apparel production at USD 323 million.
- Textiles and apparel's share of Bahrain's imports: 4.1 percent (Source: Bahrain Monetary Agency)
- Textiles and apparel's share of Bahrain's exports: 4.3 percent (Source: Bahrain Monetary Agency)
- Total Manufacturing Employment: No official statistics are available but Embassy estimates derived from Bahrain Monetary Agency statistics put manufacturing employment at 25,100. This figure does not distinguish between expatriate and Bahraini workers.
- Total textiles employment: No official statistics are available. However, industry leaders estimate total textile employment in 2003 at between 1,200 to 1,700 Bahraini nationals. Similar estimates were used during the negotiation of the FTA.
- Total apparel employment: No official statistics are available. However, industry leaders estimate total apparel employment in 2003 at 11,000, of which approximately 3,600 were Bahraini nationals. Similar estimates were used during the negotiation of the FTA.

2002

- Total Industrial Production: USD 3,246.2 million. (Source: Bahrain Monetary Agency)
- Total Textiles and Apparel Production: No official statistics are available. Industry estimates for this period are not reliable.
- Textiles and apparel's share of Bahrain's imports: 5.09 percent (Source: Bahrain Monetary Agency)
- Textiles and apparel's share of Bahrain's exports: 7.9 percent (Source: Bahrain Monetary Agency)
- Total Manufacturing Employment: No official statistics are available but Embassy estimates derived from Bahrain Monetary Agency statistics put manufacturing employment at 23,200. This figure does not distinguish between expatriate and Bahraini workers.
- Total textiles employment: No official statistics are available. However, industry leaders estimate total textile employment in 2002 at approximately the same level as in 2003, between 1,200 to 1,700 Bahraini nationals.
- Total apparel employment: No official statistics are available. However, industry leaders estimate total apparel employment in 2002 at 13,000, of which approximately 3,600 were Bahraini nationals.

[¶3.](#) The GOB does not regularly report statistics on textile and apparel employment. Monthly unemployment statistics are also not available.

[¶4.](#) Point of contact for textiles and apparel issues is

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